

Report of the Managing Director

SENIOR MANAGEMENT STRUCTURE

1 Purpose of report

This report makes a recommendation for amendments to the senior management structure of the council and for funding of additional posts associated with transformation.

2 Executive summary

Following the restructure of the council's senior management team, which was approved in 2017, the senior management team has been focusing on members' agreed priorities; good progress has been made on many of the historic/existing projects and future project priorities were agreed by Resources Committee on 13 June.

Since the creation of the existing management team in two stages in 2017, proposals have been published in relation to the future of local government in Northamptonshire. Inevitably this has divided the focus of the council in two directions – needing to consider both immediate priorities and also preparations for the future. The focus of the management team is therefore also affected, and has resulted in some changes to the team which require member consideration.

3 Appendices

Appendix 1: Proposed structure

Appendix 2: Exempt - Areas of joint working with East Northamptonshire Council

Appendix 3: Exempt - Financial implications

4 Proposed action:

Council is invited to RESOLVE to:

- 4.1 designate the managing director as S151 Officer for a temporary period between 19 August 2018 and the appointment of a new S151 officer;**
- 4.2 re-designate the two directors as director of place and strategic growth, and director of resources, with the former continuing in her role as monitoring officer and the latter being designated S151 Officer;**
- 4.3 retire the existing holder of the post of director (Mrs B Gamble) on the grounds of the efficient exercise of the council's functions, in order to facilitate this restructure, since she does not have the requisite qualification for the revised role of director of resources;**

- 4.4 appoint the managing director as electoral registration officer and returning officer;**
- 4.5 create two-year fixed appointments for project managers using the council's transformational reserve; one project manager will focus on the local growth bid and the other will provide resources to support transformation;**
- 4.6 agree the use of reserves as outlined in the report, including the use of £50,000 of General Fund reserves to fund ongoing local government reorganisation professional advice;**
- 4.7 agree to the continued dialogue with East Northamptonshire Council on the areas outlined in Appendix 2, leading to collaborative working and strengthening resilience in both organisations.**

Council is invited to NOTE that :

- 4.8 subject to 4.2 and 4.3 above being agreed, an invitation will be circulated to all Northamptonshire local government finance colleagues for a secondment to the role of assistant director/deputy S151 officer for two years. If this is not successful then a wider recruitment process will be undertaken.**

5 Background

- 5.1 A decision was made at council on 11 April 2017 to restructure the senior management team in order to realise some cost savings. A further phase of this restructure saw the assistant director posts created on 11 July 2017. As a result many of the council's priorities and key projects have either been delivered or significantly progressed.
- 5.2 Since the alteration to the structure last year an unexpected change has affected the way the council plans its future: the possibility of unitary authorities for the county. Rather than stagnate until this happens the council needs to remain agile, both to ensure that members' agreed priorities for the borough can be met or significantly progressed, and also to protect the interests of the local community in the proposed new unitary arena.
- 5.3 As a result of the likely local government reform in Northamptonshire the council's priorities and focus have changed; its workload has shifted to deal with what is to come; new projects are being analysed in a different way; and our employees are beginning to evaluate their future plans. Already there is evidence that some employees have decided that they wish to leave the county or the sector, with the council's S151 Officer being one of the first to secure an appointment elsewhere. This leaves only the managing director in a position within the current staffing to undertake the S151 role, as there is no one else who is suitably qualified or experienced. This is a significant risk for the council.

6 Discussion

- 6.1 The likelihood of a change in local government has immediately had the following impacts:
 - (a) The managing director now spends a significant amount of time out of the

office, either at county-wide meetings or meetings of north Northamptonshire authorities to prepare a submission to the Secretary of State. If, following the submission, there is the expected “minded to” decision, this will require continued input from the managing director or her representative to ensure that this borough is adequately represented on the team working on the new solution;

- (b) Part of the request from the Secretary of State for a submission included an encouragement to consider the wider Cambridge-Milton Keynes-Oxford corridor and a potential growth bid. The managing director has also been attending meetings in relation to this;
- (c) Member seminars have been held to consider priorities and focus the plans for the next two years. These initiatives/projects will require dedicated resource to ensure that as much as possible is delivered in the time available;
- (d) The right skills will be needed to deliver projects, but also to represent the council in discussions about future structures, plans and service delivery.

6.2 The managing director has analysed all the strands which need to be provided in the senior management team and has determined that she requires a structure which provides her with:

- (a) A S151 and Deputy S151 Officer, as she will not be able to carry out either of those roles given the demands on her time in the current circumstances;
- (b) A director who is dedicated to the growth agenda and act as a deputy so that the managing director can both look ahead to the future and manage the authority to ensure that “business as usual” is protected;
- (c) A director who is dedicated to resources, change and transformation, supporting the managing director by ensuring that existing agreed projects are delivered - as well as the significant amount of work which will be needed to ensure the council plays its part in designing a unitary authority that meets the needs of our residents.

6.3 As a result of this her proposal is to re-designate the two director posts: one as director of place and strategic growth, and one as director of resources. The former could therefore continue in her current role as monitoring officer, and the latter would take the statutory role of S151 officer. All three statutory roles would then be encompassed at director level. Having the S151 officer at this level of the organisation is CIPFA’s recommended approach.

6.4 Because the role of S151 officer is required to be a suitably qualified and experienced accountant it is unlikely that any candidate would be attracted – given the pending local government restructure and the council’s salary levels – unless the post was appointed at director level.

6.5 The existing director (Mrs Gamble) would not be eligible to be considered for the post because she does not hold the necessary qualification, and has no objection to retiring earlier on the grounds of the effective exercise of the council’s functions. Details of the provisions for her potential early retirement are attached in exempt appendix 3.

6.6 Waiting until Mrs Gamble intended to retire before re-designating the post as S151 officer would mean that the council would be undertaking a high risk by leaving the

role with the managing director, and potentially without sufficient financial staff resources for a significant period, at a time when there would be intense pressure on the managing director in relation to unitary plans and negotiations. It would also make the role less attractive to good candidates if it was a one year fixed term appointment, rather than a two year fixed term.

- 6.7 The constitution requires that all chief officer appointments be made by an appointments panel; if this restructure is approved, appropriate training will therefore be put in place for any potential members of the recruitment panel who are involved in the appointment of the director of resources, and who have not already received recent recruitment and selection training.
- 6.8 In order to facilitate the two key strands of growth and transformation it is proposed that the director responsible for growth be allocated a project manager on a two year fixed term basis. This can be funded from the transformation reserve, as can the proposed retirement on the efficient exercise of the council's functions. The post of project manager will be recruited to immediately as the growth deal - whilst referred to in the local government reform proposal - is discrete from it, and will require resources as soon as possible to support the process.
- 6.9 It is also proposed that all Assistant Directors assume an enhanced role in the transformation of local government. One assistant director (Ms Denton) will be in a position to directly support the managing director in relation to the preparations for a unitary authority. Ms Denton has long experience with the authority and has a good understanding of its services and priorities so will be able to represent the council at county level. It is proposed that she will report directly to, and support the managing director, working with her to provide information and communications as well as sharing attendance at meetings and workshops etc. The benefit of this arrangement would be that Ms Denton has the knowledge and experience required, as well as being able to provide continuity into the new arrangements.
- 6.10 Ms Denton is currently undertaking a review of her service following the functional restructure earlier this year and, if approved, this amendment to her role can be taken into account when looking at the roles needed within her team. She currently has several vacancies which can be shaped to ensure that the service can continue to function effectively, given the new wider remit of her own role.
- 6.11 If the local government reform proposal is formally agreed further resources will be needed to support its implementation. At this time, likely to be October 2018, a further project manager can be recruited to support Ms Denton in ensuring the council is fully involved in the process and the borough's interests represented adequately. This again will be on a fixed term basis for no more than 2 years.
- 6.12 The other two existing assistant directors will also undertake key roles in the transformation of the council: the assistant director (Corporate Landlord) will be working closely with county colleagues in relation to the management of land, property and assets as the unitary proposals progress, using his experience and knowledge to protect the council's interests; and the assistant director who covers the housing/planning/environmental health functions will be fully occupied in relation to housing and homelessness, as well as supporting the director in relation to growth.

- 6.13 In addition there is a requirement to set aside an amount to continue to fund professional advice throughout the process of local government reform. The managing director recommends that an amount of £50,000 is allocated from general fund reserves for this purpose, to be drawn down by her at the time of need. This will be used to fund ongoing support that cannot be sourced from within the current council's own staffing structures and its use will be similar in nature to the £25,000 already committed.
- 6.14 With the departure of the assistant director/S151 officer, it is proposed that the post be re-designated as assistant director/deputy S151 officer, to provide financial support to the director of resources and also to lead on risk, business continuity and performance. The proposed way forwards is to arrange a secondment from another Northamptonshire council after advertising the opportunity on a temporary basis rather than make a new appointment. Given the urgency of providing this resource it is proposed that this be undertaken by the managing director, using her delegated power to appoint an interim chief officer. The aim would be to offer the secondment as an interim role so as to provide the necessary resource as quickly as possible.
- 6.15 The managing director did undertake discussions with neighbouring councils on the potential to share a S151 officer but, given that all local councils are facing the same resourcing challenges as this council, she was not able to find a workable solution.
- 6.16 However, this council has been working more collaboratively with East Northamptonshire Council on a number of areas, particularly where a shared IT system is already in place. As part of these discussions it may be possible to review some of the current management responsibilities of the assistant director/S151 but not to fully share the role.
- 6.17 The areas which have been discussed with East Northamptonshire council are detailed in exempt Appendix 2. This appendix is exempt as, if the principle is agreed, discussion with the employees affected, the union and human resources services is required before they become public.
- 6.18 As there is no intention of progressing any formal shared services because of the likely time constraints imposed by local government reorganisation, these changes to operational delivery will be identified and delivered by the senior management team in order to create efficiencies and a more agile working environment. There may be some seconding opportunities for staff across organisations, but no formal TUPE processes will be needed.
- 6.19 All colleagues in the senior management team took part in the discussions to determine the most suitable arrangements for the officer leadership team for the next two years, and the solution proposed in this report was recommended by all.

7 Legal powers

- 7.1 The Local Government Act 1972 (s 112) states that local authorities have a duty to appoint officers as they think necessary to enable them to discharge their own functions and any functions they carry out for another local authority.

- 7.2 Section 4 of the Local Government & Housing Act 1989 requires that a council identifies an officer as Head of Paid Service to determine the organisation, structure and management of the council's officers.
- 7.3 Regulations made under the Local Government Act 2000 reinforce these duties by making the appointment of staff below chief officer level the exclusive function of the Head of Paid Service or someone nominated by him or her.

8 Financial and value for money implications

- 8.1 There will be some financial pressure arising from the structural changes proposed within this report, but this can be provided by fully using the reserves already in place for transformation. Some salaries will also be tied to capital projects and will be funded from the capital programme as part of that project, or linked to efficiencies, and may have the potential to be capitalised under the flexible use of capital receipts. However, the reserves are sufficient without any use of capitalisation to provide for the proposed changes.
- 8.2 In addition the use of £50,000 of general fund reserves has been recommended to provide for any essential resource required in respect of local government reorganisation.
- 8.3 Details of likely costings are included in the appendix, some of which are exempt.

9 Risk analysis

- 9.1 This report has identified a number of risks in paragraph 6.1 above. These are largely related to capacity, skills, availability and succession planning, as well as visibility to, and credibility with, key partners and stakeholders. The solution proposed seeks to mitigate those risks.
- 9.2 There is also a potential further risk of key officers leaving the authority, given the likely restructure of local government, or being absent for any length of time. Indeed the main risk is having a single point of failure in the managing director if she is undertaking more than one statutory role for a prolonged period, and is the only member of the senior management team focusing on some emerging key issues and projects.
- 9.3 Any further proposed changes to mitigate this risk will be dealt with by the Head of Paid Service using her delegated powers, but she may need to submit reports to members if additional resources or funding are proposed. Any further changes to the senior management structure are unlikely but, if necessary, will be proposed to Council (via Resources Committee if there is sufficient time).

10 Implications for resources, equalities, and stronger and safer communities

There are no direct implications for resources, equalities, or stronger and safer communities other than those already outlined above.

11 Author and contact officer

Liz Elliott, Managing Director

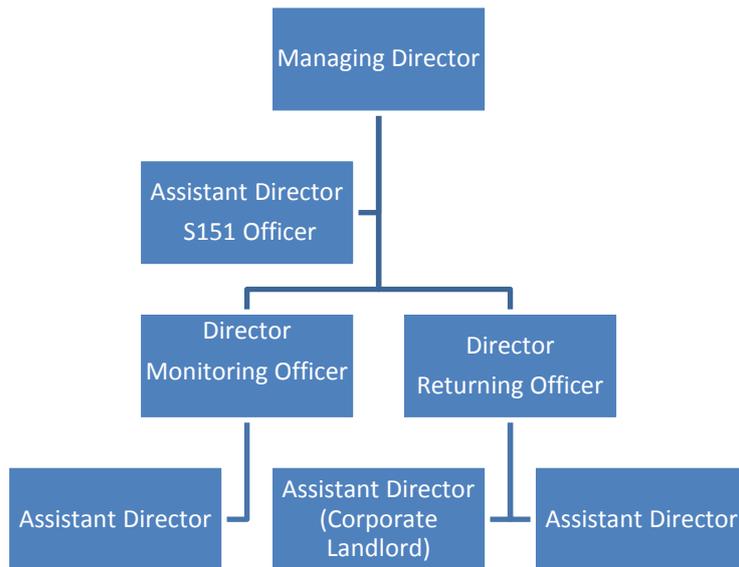
12 Consultees

Bridget Gamble, Director
Julie Thomas, Director
Karen Denton, Assistant Director
Samantha Knowles, Assistant Director
Adrian Piper, Assistant Director
Vicki Jessop, Assistant Director

13 Background papers

Background papers to this report are limited to exempt minutes of management meetings or emails.

Current Structure



Proposed Structure

